

*This message is being sent on behalf of Human Resources, Financial Services, Research and Innovation, Graduate & Postdoctoral Studies and the Scholarships & Student Aid Office to inform you of the process related to financially supporting students.*

December 21, 2016

To all Researchers and Staff funding students via Research Funds:

This message serves to clarify definitions and procedures around processing payments to students. It is paramount to recognize such payments as either 'financial aid and awards' or 'work-for-pay' as the tax treatment and required deductions differ greatly. Processing route is not a choice but is to be determined based on strict definitions surrounding the payment circumstances:

- All student payments **related to work-for pay** must be processed using the **HR/Payroll systems** (Minerva Appointment Form or POPS casual one-time payments).
- All student payments which are need-based or merit-based and which fall **outside the realm of work-for-pay** must be processed using the **Minerva Award Processing Form (APF)**.

Student Stipends appear to be a particular source of confusion. A Student Stipend is defined as an award paid to a student from a professor's/supervisor's research funds which "*will assist the student in qualifying for a degree or other scholastic recognition in the field in which the research is being carried on.*" Related effort may include research collaboration with the supervisor or others, developing techniques and methodologies, or gaining knowledge of scientific or scholarly ideas – as long as the objective is the student's advancement towards education goals for the desired degree. Student Stipends (awards) may not be associated to work-for-pay situations where there are assigned tasks and deliverables.

Conversely, Research Assistantships are an employment category and provide a student with payment for work performed. While Research Assistantship may provide a student with valuable research, scholarly or work experience, the activity is not required as part of an academic program or to advance the student's own research/thesis, or progress towards a degree. Research Assistantship, such as peer tutoring, laboratory glass washer or event coordinators, are examples of Work-for-Pay that must be processed through HR/Payroll.

Below are quick references that you may find helpful:

[Stipend vs Work-for-Pay Fact Sheet](#)

- Definition, stipulations and tax treatment of student research stipends
- Distinction between student stipends and employment income (such as Research Assistantships, Tutor)
- How student stipends are processed in BSA, including supporting documentation requirements
- Special instructions for stipends to Postdoctoral Scholars /Fellows/Research Trainees (and why these must be processed via HR/Payroll)

[Student Stipend Authorization form](#) newly revised

- Professors/Principal Investigators (PIs) must complete and sign the [Student Stipend Authorization form](#) to attest to the nature of payment. **In addition, students are now required to sign the form** to attest to the conditions and nature of the stipend. The original duly completed and signed Student Stipend Authorization form must be retained by the department/unit for 7 years as supporting documentation in the event of an Agency or tax audit
- Ability to record full FOAPAL string to be utilized for award payment

We thank you in advance for your cooperation, as the proper classification of student payments is important to ensure the University's compliance with respective taxation, granting agency and reporting requirements.

Sincerely,

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Cristiane Tinmouth, Associate Vice-Principal (Financial Services)  
Dr. Rosie Goldstein, Vice-Principal (Research and Innovation)  
Dr. Josephine Nalbantoglu, Dean (Graduate & Postdoctoral Studies)  
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